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Thailand

Grain and Feed

Weekly Rice Price Update

2009

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Report Highlights:

Domestic and export prices of white rice declined by 2-5 percent due to reduced foreign demand. Domestic prices of white rice declined considerably as new second-crop production is coming into the market. Export prices will remain flat or could decline this week and next week in anticipation of increasing second-crop harvest and quiet trading activities during the official long holiday (Apr. 13-15). Sales out of intervention stocks are occurring at prices 30-40 percent below acquisition prices paid a year ago. The old-crop intervention stock release (MY2007/08 second crops of around 1.5 million tons) could be proposed to the stock release committee under the National Rice Policy Committee.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending Apr. 7):

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	860	865	870	870	870	830	-	861	861
WR 100 B	565	635	600	600	600	560	590	593	603
PB 5%	560	-	620	-	600	565	600	589	600
WR 5%	525	605	585	590	590	530	570	571	579
WR 10%	490	-	-	-	-	525	-	508	518
WR 15%	475	-	-	-	-	502	-	489	496
WR 25%	445	-	-	-	-	455	-	450	458
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	330	330	-	-	400	335	-	349	341
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 35.0 baht/U.S.\$									

Market Tone

Domestic and export prices of white rice declined by 2-5 percent due to reduced foreign demand. Domestic prices of white rice declined considerably as new second-crop production is coming into the market. Despite attractive intervention prices of current second-crop intervention program, 60-70 percent of second-crop production is expected to reach domestic and export markets as the current intervention program limits farmers' credit line only 350,000 baht/farmer (\$10,000), down significantly from 500,000 baht (\$14,300) in the previous program. Current market prices are approximately 20 percent lower than intervention prices. Nevertheless, foreign buyers reportedly stayed away from Thai rice as current prices, particularly for white rice, remain too high. Export prices will remain flat but could decline this week and next week in anticipation of increasing new second-crop supplies and quiet trading activities during the official long holiday (Apr. 13-15). In addition, sales out of intervention stocks are occurring at prices 30-40 percent below acquisition prices paid a year ago. The old-crop intervention stock release (MY2007/08 second crops of around 1.5 million tons) could be proposed to the stock release committee under the National Rice Policy Committee. Delegates of the Thai Commerce Minister are offering white rice sales to African countries this week. If deals cannot be concluded, the tender of rice stock will likely be open for any export market. Exporters expected the tender will likely be conducted by the end of April, or early next month. Exports of Thai white rice depend on the government release of old-crop stocks, as new export contracts for current-crop white rice (MY2008/09), particularly for 5 percent grade white rice, are limited by current high intervention prices.

The current MY 2008/09 second-crop intervention program absorbed 474,799 million tons of paddy, most of which is white rice. The program will likely reach the target of 2.5 million tons of paddy valued at 36 billion baht (\$1.0 billion) as intervention prices are 20-30 percent higher than current market prices.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
Feb 1	73,513	107,614	434	739	-41.3
Feb 8	116,472	114,901	550	915	-39.9
Feb 15	113,467	111,357	664	1,110	-40.2
Feb 22	122,972	106,606	787	1,293	-39.2
Mar 1	95,657	112,142	882	1,493	-40.9
Mar 8	100,463	108,140	983	1,680	-41.5
Mar 15	104,942	106,008	1,088	1,869	-41.8
Mar 22	82,621	95,921	1,170	2,075	-43.6
Mar 29	86,141	93,542	1,256	2,307	-45.5
Apr 5	105,037	94,685	1,362	2,489	-45.3

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Mar. 30 – Apr. 5, 2009 totaled 105,037 tons, up 18,895 tons from the previous week, and up 10,352 tons from the four-week moving average of 94,685 tons. Exports during Jan. 1 - Apr. 5 totaled 1,361,524 tons, as compared with 2,488,556 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Apr. 1, 2009, amounted to 2,051,242 tons, down 36.8 percent from 3,243,059 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Mar. 16-20, Mar. 23-27, and Mar. 30 – Apr. 3, 2009 are as follows:

Movement (MT)	Mar. 16-20	Mar. 23-27	Mar. 30 – Apr. 3 (Preliminary)
Weekly sales	86,147	110,670	98,151
4 week sum	500,471	450,450	464,547
4 week mov. avg.	125,118	112,613	116,137
Total weekly sales	1,442,125	1,552,795	1,650,946

End of Report.